



## Turnover of Capital

In the fourth paragraph of Chapter 7, which is the first chapter of [Part 2 of Capital Volume 2](#) (“The Turnover of Capital”), Karl Marx quotes Chapter 23 of “Capital”, Volume 1 as follows:

*“We have seen previously:*

*“If production be capitalistic in form, so, too, will be reproduction. Just as in the former the labour-process figures but as a means towards the self-expansion of capital, so in the latter it figures but as a means of reproducing as capital — i.e., as self-expanding value — the value advanced.”*

Capital Volume 2 is an elaboration, and not a contradiction or a supersession, of Capital Volume 1. Far from the latter being the case, the concepts of “accumulation” and of “reproduction” are rather strongly confirmed and reinforced, and in the same sense as they were introduced in Volume 1.

Part 2 proceeds to cover variations from the simple, typical cases, so as to prove the validity of the general theory advanced in Volume 1.

For the purpose of stimulating discussion on Part 2, we offer for reading its final chapter, Chapter 17 (linked below as a downloadable file).

Note that Marx continues to reference back to “*Buch I*” (i.e. Capital, Volume 1).

Here is a typical paragraph from the early part of the attached or downloadable chapter:

*“The simplest form in which the additional latent money-capital may be represented is that of a hoard. It may be that this hoard is additional gold or silver secured directly or indirectly in exchange with countries producing precious metals. And only in this manner does the hoarded money in a country grow absolutely. On the other hand it may be — and is so in the majority of cases — that this hoard is nothing but money which has been withdrawn from circulation at home and has assumed the form of a hoard in the hands of individual capitalists. It is furthermore possibly that this latent money-capital consists only of tokens of value — we still ignore credit-money at this point — or of mere claims of capitalists (titles) against third persons conferred by legal documents. In all such cases, whatever may be the form of existence of this additional*

*money-capital, it represents, so far as it is capital in spe, nothing but additional and reserved legal titles of capitalists to future annual additional social production.”*

This is followed by a very lengthy quotation from William Thompson in an 1850 book, and then this summary of Marx’s:

*“For reproduction only two normal cases are possible, apart from disturbances, which interfere with reproduction even on a fixed scale.*

*“There is either reproduction on a simple scale.*

*“Or there is capitalisation of surplus-value, accumulation.”*

This is what Capital Volume 2 is about: Reproduction, Accumulation, and the relation between these two.

Later on, Marx writes directly:

*“None of the laws established with reference to the quantity of the circulating money in the circulation of commodities (Buch I, Kap. III), [English edition: Ch. III. — Ed.] are changed in any way by the capitalist character of the process of production.”*

Yet then he develops, in various ways, a question expressed most simply as follows:

*“The capitalist class remains consequently the sole point of*

*departure of the circulation of money. If they need £400 for the payment of means of production and £100 for the payment of labour-power, they throw £500 into circulation. But the surplus-value incorporated in the product, with a rate of surplus-value incorporated in the product, with a rate of surplus-value of 100%, is equal in value to £100. How can they continually draw £600 out of circulation, when they continually throw only £500 into it? Nothing comes from nothing. The capitalist class as a whole cannot draw out of circulation what was not previously thrown into it.”*

Marx continues to problematise this question until the end of the chapter, and leaves some of his questions unanswered.

For example, on the question of the substitution of credit for gold in the process of circulation, Marx writes:

*“...so far as the expediciencies developing with the credit system have this effect, they increase capitalist wealth directly, either by performing a large portion of the social production and labour-power without any intervention of real money, or by raising the functional capacity of the quantity of money really functioning.*

*“This disposes also of the absurd question whether capitalist production in its present volume would be possible without the credit system (even if regarded only from this point of view), that is, with the circulation of metallic coin alone. Evidently this is not the case. It would*

*rather have encountered barriers in the volume of production of precious metals. On the other hand one must not entertain any fantastic illusions on the productive power of the credit system, so far as it supplies or sets in motion money-capital. A further analysis of this question is out of place here.”*

We must look for those answers in Capital Volume 3, which we will come to immediately after dealing with the third and final Part of Capital Volume 2. These matters are crucial for understanding the current credit crisis, or “Global Economic Meltdown”, or recession, or bank crisis, which has been going on since 2008.

- The above is to introduce the original reading-text: [Chapter 17, The Circulation of Surplus Value, from Capital, Volume 2, Karl Marx.](#)
- To download any of the CU courses in PDF files [please click here.](#)